

WASHINGTON, DC – Today, Rep. Pete Stark (D-CA) joined Rep. Sherrod Brown (D-OH) and Ron Pollack of Families USA to release a report showing the outrageous compensation packages given to executives of 11 major health insurance companies in 2002. These are the very same companies that the Republicans would turn Medicare over to if the House Republican Medicare bill becomes law.

“This new report from Families USA highlights a key fact that needs to be brought forth as Republicans are seeking to privatize Medicare. By turning Medicare over to the private sector, House Republicans will be siphoning off government dollars that today provide medical care for seniors and people with disabilities. Instead, those dollars would be funneled to already lavishly compensated health insurance executives,” said Rep. Stark.

The report entitled, *Top Dollar: CEO Compensation in Medicare’s Private Insurance Plans*, was compiled by Families USA. The following is a summary of its findings:

- **Compensation:** The average annual compensation of the companies’ highest-paid executives, exclusive of unexercised stock options, was approximately \$15.1 million. The former Chairman and CEO of Oxford Health Plans, Norman Payson, was paid over \$76 million.
- **Stock Options:** Company executives with the largest value of unexercised stock options had stock options worth, on average, \$67.7 million. Chairman and CEO of UnitedHealth Group, William McGuire, reported a total value of nearly \$530 million in unexercised stock options.
- **Medicare:** The Administrator of the Center for Medicare and Medicaid Services (CMS) makes \$130,000 per year. The Secretary of Health and Human Services makes \$166,700 per year. Neither receive stock options.

“The facts are in the report. The Republican Medicare prescription drug bill will mean even more money for these already outrageously paid executives,” Stark said. “Money that goes into the pockets of insurance executives as profit will mean more money out-of-pocket for seniors. Seniors ought to ask just who the Republican bill is supposed to benefit?”

The full report can be found online at: <http://www.familiesusa.org> .